



March 2, 2012

Shoshana M. Grove  
Secretary  
Postal Regulatory Commission  
901 New York Avenue, NW, Suite 200  
Washington, DC 20268-0001

Re: Docket No. MT2011-1 (Alternate Postage Payment Method for Greeting Cards)

In accordance with Commission Order No. 617, issued December 21, 2010 in Docket No. MT2011-1, the Postal Service presents its data collection report on the first year of the Alternate Postage Payment Method for Greeting Cards market test.

The full data collection report is being filed today in USPS-MT2011-1/NP1, because of the commercial sensitivity of some of the data reported. A public version of the report is attached to this letter, with the confidential data redacted. A notice of filing for USPS-MT2011-1/NP1 more fully explains the need for redaction, and includes an application for nonpublic treatment of the unredacted report.

Sincerely,

David H. Rubin  
Attorney

**Docket No. MT2011-1**  
**Alternate Postage Payment Method of Greeting Cards**  
**Data Collection Report**  
**January 2011 – December 2011**

**1. Volumes and Revenues**

	<b>Volume</b>	<b>Revenue</b>
<b>Greeting Cards Sold</b>		
<b>Greeting Cards Mailed</b>		
<b>Total</b>	<b>N/A</b>	

**2. Administrative Cost**

<b>Alternate Postage FY2011 IT Costs</b>	
Build, Enhance, and Maintain IT System	\$ 516,241
Data Transfer Service	\$ 8,000
New Capital Hardware	\$ 315,056
<b>Total</b>	<b>\$ 839,297</b>

Department	Activity and Description	Work Hours
Transaction and Correspondence Program Office	Administrative functions include: invoicing, communications, validation and analysis of data, and coordination on IT systems	8 per month = \$7,022 total from 1/11-12/11

**3. Methodology to develop data**

Mailpiece counts are based on IMb scans performed by barcode sorters during normal mail processing. Additionally, the Postal Service receives a monthly report of all IMb barcodes from greeting cards sold. This information is used to bill the greeting card company \$0.24 per piece. Once the Postal Service sees those barcodes in its mail processing operation, the greeting card company is billed another \$0.24 per piece. Note that some of the greeting cards sold during this reporting period are expected to be mailed after the reporting period. For this reason, and because the greeting cards sold and those mailed are the same cards at different points, totaling the two volumes is meaningless. The Total box therefore is marked N/A.

The Postal Service conducted quarterly tests to evaluate the quality of its scan capture. During each test, 100 Alternate Postage Payment greeting cards were purchased, and their barcodes were recorded. The greeting cards then were mailed from and to different locations within the United States. A comparison of barcodes captured during processing and those recorded from the pieces mailed during the tests showed that the Postal Service captured scans for all of the greeting cards mailed.